

Dependent Care Tax Credit Worksheet

		Dependent Care Reimbursement Account	Federal Dependent Care Tax Credit
1	Annual Salary <i>If you are married, include both your income and your spouse's</i>		
2	Total Dependent Care Expenses		
3	Pre-tax Dependent Care Expenses <i>Use the amount in line 2 OR \$5,000 (or \$2500 if you are married, filing separately) whichever is less</i>		N/A
4	Adjusted Salary for Taxes <i>Subtract line 3 from line 1</i>		
5	Federal Income Taxes <i>Multiply line 4 by your Federal Tax Rate %</i>		
6	Social Security Taxes <i>Multiply line 4 by 7.65%</i>		
7	State Income Taxes (if applicable) <i>Multiply line 4 by your state tax rate%</i>		
8	Total Taxes <i>Add lines 5, 6 and 7</i>		
9	Take Home Pay after Taxes <i>Subtract line 8 from line 4</i>		
10	After-tax Dependent Care Expenses <i>Subtract line 3 from line 2</i>		
11	Tax Credit (see worksheet below)	N/A	
12	Spendable Income <i>Subtract line 10 from line 9, then add line 11</i>		

Compare your spendable income from each column to see which method will probably benefit you most. This worksheet does not replace the advice of a tax advisor. Please consult with your tax professional for more details.

Calculating the Tax Credit			At least:	But not more than:	
1	Annual Salary (from line 1 above)		\$0	\$15000	35%
2	Total Dependent Care Expenses		\$15001	\$17000	34%
3	Dependent Care Expenses Eligible for the Tax Credit <i>If you have expenses for only one child, enter the amount from line 2 or \$3,000, whichever is less. If you have expenses for two or more children, enter the amount from line 2 or \$6,000, whichever is less.</i>		\$17001	\$19000	33%
			\$19001	\$21000	32%
			\$21001	\$23000	31%
			\$23001	\$25000	30%
			\$25001	\$27000	29%
			\$27001	\$29000	28%
			\$29001	\$31000	27%
			\$31001	\$33000	26%
			\$33001	\$35000	25%
			\$35001	\$37000	24%
4	Tax Credit % <i>Find your income on the table to the right and enter the percentage shown.</i>		\$37001	\$39000	23%
			\$39001	\$41000	22%
			\$41001	\$43000	21%
			\$43001	or more	20%
5	Tax Credit <i>Multiply line 3 by line 4. Enter this amount on line 11 above.</i>				

Note: The IRS allows a maximum of \$3,000 for one child or \$6,000 for two or more children in determining your tax credit. IRS Publication 503, Child and Dependent Care Expenses and Form 2441, available at www.irs.gov.